



Memorandum

TO: PLANNING COMMISSION

FROM: James R. Helmer
Stephen M. Haase

**SUBJECT: REVISED TRANSPORTATION
IMPACT POLICY**

DATE: 05-25-05

Approved

Date

Council District: Citywide
SNI Areas: All

PROJECT DESCRIPTION

This staff report addresses a proposed change to the City's Transportation Impact Policy, also referred to as the Traffic Level of Service (LOS) Policy. The changes to the policy would allow the exemption of certain street intersections from traffic LOS standards if located within transit oriented development corridors, transit station areas, planned communities, and neighborhood business districts.

The exempt intersections have been identified and defined as "Protected Intersections". They consist of locations that have been built to their planned maximum capacity and where expansion of the intersection would have an adverse effect upon other transportation facilities (such as pedestrian, bicycle, and transit systems). If a development project has significant traffic impacts at a designated Protected Intersection, the project may be approved if offsetting Transportation System Improvements are provided that enhance pedestrian, bicycle and transit facilities for the community near the Protected Intersection.

An initial list of eight Protected Intersections is proposed for approval as follows:
Alameda/Hedding, Bird/San Carlos, Meridian/ San Carlos, Winchester/ Stevens Creek,
First/Taylor, 4th/Hedding, 11th/Taylor, and 24th/Santa Clara.

The policy revisions are intended to: 1) facilitate planned infill development consistent with land uses designated by the General Plan, 2) enhance the City's transportation facilities related to walking, bicycling and transit, and 3) streamline the development process for "smart growth" projects. The policy changes allow for planned development within transit corridors, "specific plan" areas and neighborhood business districts that would otherwise be limited under current policy.

BACKGROUND

Existing Policy

Since the 1970's the City has maintained a traffic policy that generally restricts development uniformly across the City unless traffic LOS "D" can be provided. LOS D or better (A, B or C) is a condition whereby traffic at a signalized intersection can clear the intersection during a single "green phase" when traveling in the peak commute period. The LOS D policy standard is typical for suburban communities, but is neither achievable nor desirable in a denser urban environment. By Council policy, the Downtown area is already exempt from traffic LOS standards and the North San José area has a "relaxed" traffic standard as part of the existing Area Development Policy.

The City's specific traffic policies are Council Policy 5-3, Transportation Level of Service Policy (initially adopted in 1978) and Council Policy 5-4, Alternative Traffic Mitigation Measures (adopted in 1987). The description of traffic congestion is based on the "level of service" concept developed by the National Academy of Sciences and described in the Highway Capacity Manual, a national publication. Designations for LOS are indicated by the letters "A" (representing "free flow" conditions) through "F" (representing severe congestion).

When the City determines that a proposed development may result in a substantial increase in traffic congestion, the project applicant must prepare a Transportation Impact Analysis (TIA) to evaluate the project's traffic impacts. The existing Transportation LOS Policy requires that a proposed development, whose traffic would cause a local intersection to operate below LOS D or would significantly impact an intersection already operating at LOS E or F, must improve traffic flow conditions at the intersection in order to mitigate this impact. This usually requires physical improvements at the affected intersection. Improvements provided by a development must be sufficient to bring an impacted intersection back to at least the standard of operation in place before the project's additional traffic is added. However, once an intersection is fully built out, adding additional traffic flow improvements may result in impacts to adjacent private development or reductions in capacity for other transportation facilities such as sidewalks, landscaping, bicycle lanes, or even impacts to adjacent land uses.

Since Council Policy 5-3 was adopted, San Jose has become more urban with less undeveloped land within its boundaries, and substantially more traffic on its streets. Other changes since 1978 include the development of a countywide light rail transit (LRT) system, the upgrade of the commuter rail system (Caltrain, Altamont Commuter Express, and Capitol Corridor) in the Bay Area, and expansion of bicycle routes and trails throughout the County. In addition, a project to extend the Bay Area Rapid Transit (BART) system to San Jose is currently under design. To support and promote this expanding multi-modal transportation system, the City has integrated relevant policies into its General Plan and modified land use designations accordingly.

In order to reduce the likelihood that ongoing modifications to the street system could compromise or impair the viability of alternative transportation modes, the City is now proposing

to update its Transportation LOS implementation policy. The specific purpose of the proposed policy change is to guide analyses and determinations regarding the overall conformance of a proposed development with the City's various General Plan multi-modal transportation policies, which together seek to provide a safe efficient, and environmentally sensitive transportation system for the movement of people and goods.

Policy Update Process

In December 2002, the City Council amended the General Plan to allow flexibility in the City's Traffic LOS policy in order to better support land use and multi-modal transportation goals. The framework of a Citywide traffic LOS implementation policy change was established in coordination with the City Council's Building Better Transportation (BBT) Committee, during a series of four meetings in 2003. During these meetings a variety of policy update options were considered as well as "best practices" from other cities (including Portland, Austin, Minneapolis, Denver, and San Diego).

It was also revealed that San Jose has the most stringent traffic level of service policy within Santa Clara County. While other jurisdictions consider traffic LOS standards as a goal that can be overridden, the San José policy and implementation procedures strictly uphold a LOS D traffic congestion limit.

The meetings with the BBT Committee identified several major issues with the current policy. Among the findings were that the traffic policy: 1) encourages development in low congestion areas, 2) limits development density below General Plan goals, 3) promotes the construction of large street intersections that impact the quality of travel for pedestrians, bicyclists and transit users, and 4) results in high and unpredictable costs for traffic mitigation. To guide the formation of a revised policy, the Committee endorsed the following "desired outcomes":

- Support moderate density, mixed use, and pedestrian friendly development for special planning areas designated in the General Plan
- Preserve LOS D traffic standards for existing suburban neighborhoods
- Facilitate development of a Citywide multi-modal transportation system
- Continue to link land development with transportation improvements
- Provide an efficient and predictable implementation process for developers

Subsequently, specific policy language and environmental analysis has been prepared that has involved an interdisciplinary team effort among City staff and consultants, and coordinated extensively with a broad base of community stakeholders, as noted in the Public Outreach and Coordination sections of this report.

Economic Development Strategy

The revised Transportation Impact Policy is one of three separate land use and transportation policy update initiatives being advanced simultaneously as part of the City's Economic

Development Strategy. The other policy updates allow for increased infill development in Downtown San Jose and North San Jose. All of these planning efforts represent a consistent and integrated approach to “smart growth” planning for San Jose.

ANALYSIS

General Perspectives

The revised Transportation Impact Policy strengthens San José’s ability to build an integrated transportation system, manage congestion and improve neighborhood livability. The recommended proposal broadens options for addressing traffic congestion in targeted areas such as transit corridors and neighborhood business districts. Rather than simply widening intersections so they become pedestrian and transit unfriendly, developers will be allowed under the proposed policy update to provide other transportation-related improvements to offset vehicular congestion impacts, such as improved pedestrian and bicycle facilities, transit enhancements, and traffic calming.

The Transportation Impact Policy update proposes to revise congestion limits in areas currently planned for mixed-use, transit-oriented development, thereby allowing for housing and neighborhood retail opportunities along transit corridors, most of which are aligned with Downtown and/or North San José. A revised Transportation Impact Policy also facilitates the implementation of General Plan “smart growth” policies and Strong Neighborhood Initiative plans by supporting infill development, creating walkable neighborhoods, and revitalizing neighborhood business districts.

Policy Application

The proposed Transportation Impact Policy would apply citywide, except 1) in the Downtown Core Area, and 2) within areas where localized adopted “Area Development Policies” are in effect. The Downtown Core Area is addressed in the General Plan as a unique transit hub and the center of urban activities; accordingly, the Downtown area is exempt from traffic LOS standards. The General Plan states that an Area Development Policy (ADP) may be adopted to establish unique traffic level of service standards for a specific geographic area. ADPs have been approved for the areas of North San Jose, Evergreen and Edenvale.

Overview of Revised Policy

The proposed text of the revised Transportation Impact Policy is attached. The key features of the policy are summarized in this section of the staff report.

Adopted Transportation Policies and Programs – The new policy describes the specific multi-modal transportation policies and implementation programs that have been adopted by the City

Council. This background description (not included in the current policy) provides an overall context for the policy.

Traffic Level of Service Policy and Implementation – This section of the policy is similar to current Council Policy 5-3. It includes the following features:

1. Defines traffic congestion measurement levels (Level of Service A through F)
2. Allows exemptions for small projects
3. Requires Transportation Impact Analysis for substantial projects
4. Establishes LOS D as a maximum congestion threshold
5. Defines significant traffic LOS impacts as exceeding LOS D or a 1% impact to an intersection already operating at LOS E or F.
6. Requires traffic improvement mitigation for significant LOS impacts
7. Defines certain LOS traffic improvement mitigation as unacceptable.

The definition of unacceptable mitigation is a new element of the policy. It states that any traffic mitigation measure is unacceptable if it would result in a substantial deterioration in the quality of other transportation facilities such as pedestrian, bicycle and transit systems.

Exemption of Specific Intersections in Special Strategy Areas – This element of the revised policy is the most significant change from current policy. It allows for exceeding traffic LOS D for intersections within Special Strategy Areas identified in the General Plan and includes Transit Oriented Development Corridors, Transit Station Area, Planned Communities, and Neighborhood Business Districts. The location of these areas is shown in Figure 1. The features of this portion of the policy include the following:

1. Allows for designating certain intersections as “Protected Intersections” where expansion of the intersection is considered inappropriate and where exceeding traffic LOS D is allowed.
2. Requires development projects to implement “Transportation System Improvements” to offset impacts to Protected Intersections.

The policy has an Appendix that includes the specific implementation procedures for addressing Protected Intersections and Transportation System Improvements (see subsequent sections of this report for further discussion). In general, the goal of having a more flexible traffic management policy for the City’s Special Strategy Areas is to support “smart growth” infill development and help provide a balanced multi-modal transportation system as prescribed by the General Plan. Figure 2 illustrates an example of the type of development and transportation infrastructure envisioned for these areas.

Figure 1 – Location of Special Strategy Areas



Figure 2 – Before and After Vision of “Smart Growth” Development

Before



After



Protected Intersections

A significant new feature of the revised Transportation Impact Policy is the designation of certain intersections as “Protected Intersections” where expansion of the intersection is considered inappropriate and where exceeding traffic LOS D will be allowed. The selection and approval of Protected Intersections must meet the following conditions:

- Located within a transit oriented development (TOD) corridor, transit station area, planned community or neighborhood business district (NBD).
- Future planned development is expected to create traffic conditions that exceed LOS D.
- Intersection is built to its planned maximum capacity.
- Widening of intersection would create adverse impacts to existing (or planned) transit, pedestrian or bicycle facilities, nearby land uses, or local neighborhoods.
- An appropriate environmental review and community outreach process is conducted.

The draft EIR for the Revised Transportation Impact Policy identified 13 locations proposed for designation as Protected Intersections. These locations were selected based on a traffic analysis of planned infill growth areas (not including Downtown and areas having Area Development Policies). With consideration of community input, 8 locations are recommended for the Protected Intersection designation and the other five locations are recommended to be dropped from consideration at this time. A list of the 13 intersections and their recommended status is shown in Figure 3.

Figure 3 – Protected Intersections

Intersection	Special Strategy Area(s)	Recommendation
Alameda/Hedding	The Alameda NBD	Approve
Bird/San Carlos	West San Carlos Street NBD and TOD Corridor	Approve
Meridian/ San Carlos	West San Carlos Street NBD and TOD Corridor	Approve
Winchester/ Stevens Creek	Winchester NBD and TOD Corridor, Stevens Creek TOD Corridor	Approve
First/Taylor	Japantown NBD, Jackson/Taylor Planned Community	Approve
4 th /Hedding	Jackson/Taylor Planned Community	Approve
11 th /Taylor	Jackson/Taylor Planned Community	Approve
24 th /Santa Clara	East Santa Clara Street NBD and TOD Corridor	Approve
Capitol/ Cropley	Capitol TOD Corridor	Drop
Capitol/ Hostetter	Capitol TOD Corridor	Drop
Capitol/ Berryessa	Capitol TOD Corridor	Drop
Capitol/ McKee	Capitol TOD Corridor	Drop
Lincoln/ Willow	Lincoln Avenue NBD	Drop

It is noted that the potential for increasing congestion in the Capitol LRT corridor was a source of significant concern for the Berryessa community. Due to limitations with the signal technology currently in use at LRT intersections, congestion levels are higher than would be if the signal systems were upgraded. Staff recommends deferring consideration of all four Capitol

LRT intersections for “protected” status until signal improvements are made. A project in this regard is recommended as part of the City’s budget for 2005-2006. (Note: the Vision North San José development plan proposes two intersections along the Capitol LRT corridor at Hostetter and at McKee for “protected” designation due to projected traffic impacts from the North San José development.)

The consideration of the Lincoln/Willow intersection was also subject to objections from the community due to traffic impacts. This location is further removed from the more urban areas close to Downtown and along major transit corridors, and is not recommended for approval at this time. It is noted, however, that the enhanced vitality of the Lincoln Avenue neighborhood business district could be constrained as a result of continuing a LOS D traffic standard for the Lincoln/Willow intersection. The existing intersection is considered “built out” and any widening of the intersection would be considered to have a detrimental impact on the quality of pedestrian travel for the business district.

The Protected Intersection element of the revised Transportation Impact Policy is the foundation of providing flexibility for traffic management, multi-modal transportation improvement, and “smart growth” at key locations in San José. The proposed policy and the associated EIR, considers development along transit corridors and business districts and results in the recommended designation of eight intersections as “protected”. Current development plans for Downtown and North San José propose the addition of 16 other Protected Intersections for a cumulative total of 24. The policy recommendations for the Downtown and North San José plans are addressed as part of separate EIRs for these projects. Attachments 2 and 3 identify all 24 of the Protected Intersections being contemplated at the present time.

Offsetting Transportation System Improvements

An innovative element of the new policy is the requirement of having new development provide offsetting Transportation System Improvements for significant traffic impacts at Protected Intersections. These improvements are not “mitigation” as defined by the California Environmental Quality Act (CEQA). Instead, they are “overriding considerations” for a significant unavoidable traffic impact. The offsetting improvements are intended to provide other transportation benefits for the community adjacent to the traffic impact. The offsetting improvements will include enhancements to pedestrian, bicycle and transit facilities, as well as neighborhood traffic calming measures. Typical improvements include sidewalks, curb ramps, enhanced crosswalks, lighting, street trees, bike lanes, and transit shelters.

The policy also states that the threshold of significance for impacts to Protected Intersections is one-half that of non-protected intersections. In other words, for Protected Intersections, offsetting improvements will be required when traffic impacts exceed ½ % of the existing intersection traffic volume. This policy provision was added based on community input expressing concern that the traditional 1% significance threshold gets increasingly higher as intersections get further congested.

The revised Transportation Impact Policy includes a process for determining the cost, scope, and location for the offsetting Transportation System Improvements. The key elements are as follows:

- Value of improvements is set at \$2000 per peak hour vehicle trip generated by development.
- For impacts to multiple Protected Intersections, the value is capped at \$3000 per trip
- A 3.5% cost escalation adjustment is added annually.
- The improvements are provided for the community adjacent to the Protected Intersection, defined as a Community Improvement Zone (see Attachment 3).
- Selection of improvements is coordinated with the community as part of the development process consistent with the City's Public Outreach policy.
- Priority is given to improvements identified in previously adopted plans, such as plans prepared through the Strong Neighborhoods Initiative.
- Improvements are implemented as part of the development project.

This process was established to jointly provide neighborhoods with meaningful and timely improvements to offset traffic impacts, and developers with predictable costs for their project. The \$2000 value per peak hour trip was established based on an analysis of average intersection mitigation costs for development projects. The offsetting improvement cost is not a new or increased cost for development, but rather a transfer of costs from intersection widening improvements that would have a detrimental impact, to costs that have a beneficial impact. This mechanism is also expected to be helpful in gaining community support for infill development projects.

To further enhance the process of identifying offsetting Transportation System Improvements, City staff is proposing to develop Community Transportation Improvement Plans in collaboration with the neighborhood adjacent to approved "Protected Intersections". This will further help streamline the development review process and help neighborhoods select priorities for enhancing their local transportation system.

Alternatives to Addressing Traffic LOS Impacts

The revised Transportation Impact Policy also discloses other options for developers to address traffic LOS impacts and/or unacceptable mitigation measures. These could be one or a combination of the following:

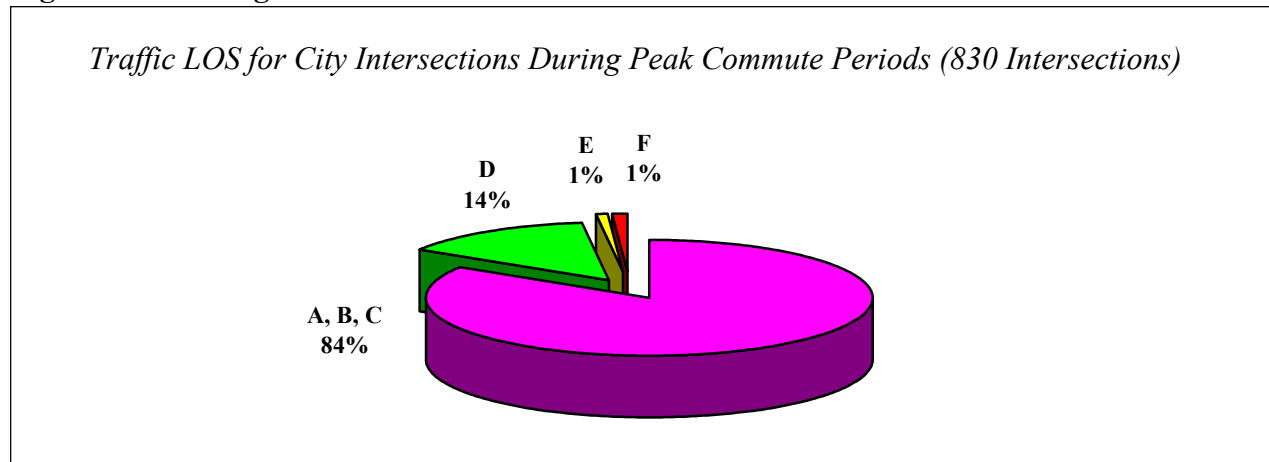
- Reduction in the size of the project (less square footage of number of units proposed, etc.) to a degree that would avoid the need for traffic LOS mitigation.
- Identification of a different mitigation measure (including improvements that facilitate a redistribution of traffic) that would reduce the traffic LOS impact to an acceptable level and would not itself have unacceptable impacts.
- Modification of the project design to avoid the significant traffic LOS impact and/or the unacceptable impact(s) on other transportation facilities.

Citywide Transportation Perspective

The revised Transportation Impact Policy does allow for increased traffic congestion at specific locations, and in general at locations where other transportation choices are available. From an overall Citywide perspective these congested locations represent a small portion of the San José community. The vast majority of San José will continue to be guided by the LOS D traffic management policy.

Figure 4 illustrates the current traffic LOS performance for the approximately 830 signalized intersections throughout San José. It shows that 98% of the City's intersections are operating at LOS D or better. A total of 15 intersections (2%) are at LOS E or F. Of the 15 intersections, 11 are along County Expressways where regional policies consider LOS E an acceptable condition for peak-commute periods.

Figure 4 – Existing Traffic Level of Service Performance Data



The revised Transportation Impact Policy is estimated to allow for eight additional intersections to exceed LOS D standards. With proposed plans for increased development in the Downtown and North San José areas, the total number of additional intersections exceeding LOS D is estimated to be 24. Overall, this would result in 45 intersections at LOS E or F, representing 5% of the City's local transportation system.

The City's Department of Transportation is committed to providing a safe and efficient multi-modal transportation system for San José. As a result, continuing efforts are being made to improve the capacity and efficiency of the system. The projections for future congestion increases take into account future planned growth, but they do not account for various planned transportation investments. The following is a list of a few planned transportation improvements that will help manage traffic congestion in the future:

- Route 87 freeway widening (Julian to Route 85) – *Under construction*

- Freeway interchange improvements at 880/Stevens Creek, 101/Tully, 101/Capitol, and 85/Almaden
- Improvement of County expressway system
- Upgrading City traffic signal systems with advanced technology
- Expansion of light rail and rapid bus services
- Extension of BART to San José

Consistency with Adopted Plans and Policies

The revised Transportation Impact Policy is consistent with all seven Major Strategies of the City's General Plan: Economic Development, Growth Management, Downtown Revitalization, Urban Conservation, the Greenline/Urban Growth Boundary, Housing, and Sustainable City. In summary, the revised policy helps facilitate the following strategic benefits:

- Promotes economic vitality in the City's neighborhood business districts.
- Allows for infill development along transit corridors; reduces commute needs of City residents and their impact upon the road infrastructure.
- Lessens pressure for new development outside the City's growth boundary.
- Provides new housing development opportunities to meet the needs of all economic segments of the community.
- Locates residents along transit corridors with easy access to Downtown to support the continued development of Downtown as a vibrant center for employment, creativity and culture.
- Promotes compact, mixed-use urban development that is more efficient in terms of water and energy consumption and lessens the cost of providing City services.

CONCLUSION

Revising the City's transportation impact policy is vital to the City's ongoing economic development and enhancement of community livability. While the current Traffic Level of Service policy has served the City well toward building an efficient roadway network as the City grew and expanded over the past 30 years, the policy now threatens to prohibit planned "smart growth" or further widen roads that have a negative impact on other travel modes and the character of the community.

The proposed new transportation policy strikes a balance that allows for maintaining strong traffic management policies for the City's suburban neighborhoods and allows flexibility for moderate-density, infill, urban development at planned locations. The new policy supports the City's goals for "smart growth" in a manner that is efficient, predictable and fair for developers and residents, and that ultimately serves to promote a multi-modal transportation system, a strong economy, and a livable community.

PUBLIC OUTREACH

An extensive public outreach program has been conducted for the revised Transportation Impact Policy. Public outreach efforts included ten community meetings for the general public, and a large number of presentations to community organizations, stakeholder groups and other public bodies along with standard public noticing conducted as part of the environmental review process.

Prior to preparation of the Draft EIR, a Notice of Preparation (NOP) was published and circulated in August 2002. A community meeting was held on August 21, 2002. The project was subsequently modified and a revised NOP was then circulated from August 27, 2003 to September 25, 2003. The Draft EIR was circulated for public review beginning August 31, 2004 and was extended due to public interest to December 6, 2004 (for a total of 97 days). Community meetings were held at various locations across the City in 2004 on October 5, 6, 25, 26, 27 and 28; November 30; and December 2. Meeting notices were published in the San Jose Mercury News. Copies of the Draft EIR have been available at City libraries and on the City's website since September 2004. An additional public update meeting on the Transportation Impact Policy was held on May 5, 2005.

Meetings were held with the following specific groups and agencies: Strong Neighborhoods Initiative Project Area Committee (4 meetings), Downtown Association, Berryessa Community Advisory Council, Silicon Valley Leadership Group, Chamber of Commerce, Home Builders Association, Building Trades Council Board, Consulting Engineers and Land Surveyors of California, Tri-County Apartment Association, Housing Action Coalition, Walk San Jose and Santa Clara Valley Transportation Authority. Most of these outreach meetings addressed the multiple policy updates related to the Citywide Transportation Impact Policy, Vision North San Jose and Downtown Strategy 2000.

The transportation policy update was publicly discussed at a City Council study session on February 14, 2005 and at meetings of the Driving a Strong Economy and Building Better Transportation City Council committees. The project has also been presented to the City's Housing Advisory Commission, Bicycle and Pedestrian Advisory Committee, and Developer Roundtable.

ENVIRONMENTAL REVIEW

The environmental impacts of this project to revise the City's Transportation Impact Policy, were addressed by an Environmental Impact Report (EIR) entitled "Modifications to the City of San Jose's Transportation Impact Policy" (PP02-07-178) to be heard by the City of San Jose Planning Commission on June 2, 2005. The EIR analyzed potential impacts resulting from the project and concluded that implementation of the revise policy would result in less than significant impacts upon land use, air quality, noise, and growth inducement.

The EIR identifies that implementation of the revised policy results in significant unavoidable traffic impacts at each of the thirteen intersections considered to be “Protected Intersections”. The EIR identifies project alternatives that avoid or reduce the significant traffic impacts. The EIR also identifies a cumulative significant unavoidable impact associated with the project for traffic. Because the project will have significant unavoidable impacts, the City Council will be required to adopt a statement of overriding considerations as part of the Resolution of EIR findings explaining how the benefits of the project outweigh the impacts.

COORDINATION

The revised Transportation Impact Policy has been prepared by the Department of Transportation working in collaboration with the Department of Planning, Building and Code Enforcement; Department of Public Works; Office of Economic Development; City Attorney’s Office; and Redevelopment Agency.

RECOMMENDATION

1. Certify Environmental Impact Report for Modifications to City of San José’s Transportation Impact Policy (PP02-07-178).
2. Forward a recommendation to the City Council to:
 - A. Adopt City Council Policy 5-3, establishing a new “Transportation Impact Policy” and replacing previously adopted Council Policies 5-3, “Transportation Level of Service” and 5-4, “Alternate Traffic Mitigation Measures”, and allowing the exemption of certain intersections from traffic mitigation improvements if located within Transit Oriented Development Corridors, Transit Station Areas, Planned Communities, and Neighborhood Business Districts.
 - B. Adopt a resolution establishing the following list of eight locations designated as “protected intersections” in accordance with Council Policy 5-3: Alameda/Hedding, Bird/San Carlos, Meridian/ San Carlos, Winchester/ Stevens Creek, First/Taylor, 4th/Hedding, 11th/Taylor, and 24th/Santa Clara.

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Attachments